

RSWM/SECTT/2023
May 26, 2023

BSE Limited Corporate Relationship Department, 1st Floor, New Trading Ring, Rotunda Building, P.J. Towers, Dalal Street, MUMBAI - 400 001. Scrip Code: 500350	National Stock Exchange of India Limited Listing Department, Exchange Plaza, C-1, Block - G, Bandra-Kurla Complex, Bandra (East), MUMBAI - 400 051. Scrip Code: RSWM
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Sub: Investors Presentation on the Audited Financial Results of the Company for the Quarter ended 31st March, 2023.

Dear Sir,

Please find enclosed a copy of Investors Presentation on the Audited Financial Results of the Company for the quarter ended 31st March, 2023 for your information and record.

Thanking you,

Yours faithfully,
For **RSWM LIMITED**

SURENDER GUPTA
VICE PRESENT – LEGAL & COMPANY SECRETARY
FCS – 2615

rswm.investor@lnjbhilwara.com

Encl.: As above

(Formerly Rajasthan Spinning & Weaving Mills Limited)

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GSTIN:09AAACR9700M1Z1

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District Bhilwara, Rajasthan, India
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Website : www.rswm.in
GSTIN:08AAACR9700M1Z3

Corporate Identification Number:L17115RJ1960PLC008216



Investor Presentation

NSE: RSWM BSE: 500350

Q4 & FY23



TEXTILE DRIVEN BY INNOVATION, GROWTH & TRANSFORMATION

Ensuring Security and Data Protection

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Commenting on the results, Mr. Riju Jhunjunwala, Chairman & Managing Director, and CEO of RSWM Limited said,

“The textile industry faced challenges in FY23 due to various factors such as a slowdown in demand from export markets, supply chain disruptions, and high commodity costs which led to reduced margins. However, the sector is now showing signs of recovery with improved demand due to normalized inventory levels, correction in cotton prices and freight costs, and better utilization leading to higher EBITDA margins. Domestic cotton prices have also corrected by 40% from their peak, reducing the disparity between domestic and international cotton prices. The spinning industry is returning to near-normal levels of utilization, indicating green shoots of recovery. The Q4FY23 results serve as evidence of this. Despite short-term challenges, the industry remains optimistic about future growth opportunities and is committed to expanding product lines, fortifying financial footing, and increasing profits through operational efficiency.

The Government's endeavor to transform India into a textile hub instills confidence, as does the pursuit of a Free Trade Agreement (FTA) with major economies. At RSWM, we exercise caution while maintaining an optimistic outlook on the sector, steadfastly progressing with our strategic expansion plan. As a versatile and adaptable company operating across different products and markets, our manufacturing facilities equip us with the necessary capabilities to navigate demanding circumstances. With a solid financial standing, an extensive range of products, and a committed workforce, we remain hopeful that we will consistently generate robust outcomes and enhance value for all our stakeholders.”

Commenting on the results, Mr. B. M. Sharma, Joint Managing Director of RSWM Limited said,

"In the past three quarters, our revenues have faced a decline. However, we are confident that this downward trend has bottomed out, and we anticipate a turnaround in the fourth quarter of FY23. We are determined to seize growth opportunities and enhance our market share after the recent downturn. The long-term macroeconomic conditions appear favourable for our business expansion.

Looking ahead to FY24, RSWM is focused on revolutionizing the fashion industry by embracing sustainability practices driven by environmentally conscious consumers. The market for sustainable fashion is projected to reach \$9.81 billion by 2025. Brands are adopting initiatives like recycling and incorporating innovative technologies.

We are steadfast in our commitment to long-term goals, which include expanding our product line, fortifying our financial position, and increasing profitability through operational efficiency. With determination, perseverance, and a focus on achievement, we will continue to pursue these objectives in the years to come."



01

◆ Q4 & FY23 Financials

Key Highlights	07
Q4FY23 Financial Performance	08
FY23 Financial Performance	10
Average Price Realization	11



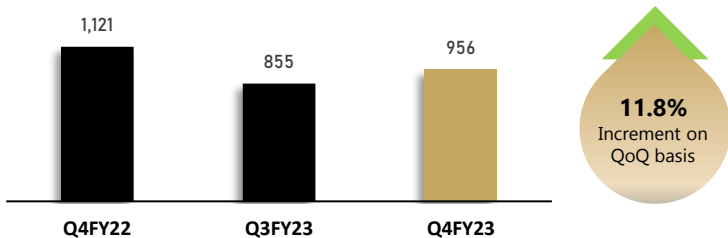
Review of Q4 & FY23 and Outlook for the Future

- ❑ **Performance Overview:** FY23 proved to be a mixed bag for the Textile Industry, and RSWM Ltd. experienced a similar trajectory. The year began on a strong note with a positive Q1, but the industry faced significant challenges in Q2 and Q3, leading to a steep decline. However, there were signs of recovery in Q4.
- ❑ **Business Environment Challenges:** Geopolitical tensions and an unprecedented increase in cotton prices presented a highly challenging business environment over the past nine months. These factors created obstacles for RSWM Ltd. and the industry as a whole.
- ❑ **Impact on Textile Exports:** Sluggish demand from overseas markets, particularly the United States and Europe, had an adverse effect on textile exports during FY23. Export volumes, which account for 22% of the industry, witnessed a decline of 14% year-on-year.
- ❑ **Yarn Exports and Domestic Market Shift:** Yarn exports were hit particularly hard, experiencing a significant drop of around 46% year-on-year in the first nine months. This decline forced RSWM Ltd. to redirect its capacities toward the domestic market to mitigate the impact.
- ❑ **Capacity Utilization and Financial Stability:** Despite the challenging environment, RSWM Ltd. successfully utilized its capacities fully. This strategic move helped the company navigate the downturn and maintain a robust financial position.
- ❑ **Stabilization of Raw Material Prices:** Raw material prices stabilized in the later part of the year, bringing some relief to RSWM Ltd. and other players in the industry.
- ❑ **Optimism for the Future:** RSWM Ltd. remains optimistic about the coming year and is committed to continuing its strategic expansion plans. The company believes in its ability to deliver strong results and value to its stakeholders.
- ❑ **Strengthening Financial Position:** To bolster its financial position, RSWM Ltd. infused ₹235.51 Cr. into the business through a right issue of equity shares. This move demonstrates the company's commitment to its growth trajectory.
- ❑ **Wide Market Reach and Product Portfolio:** RSWM Ltd. boasts an extensive outreach across domestic markets and more than 70 countries worldwide. With a diverse product basket and a strong workforce, the company is well-positioned to navigate challenges and capitalize on opportunities.

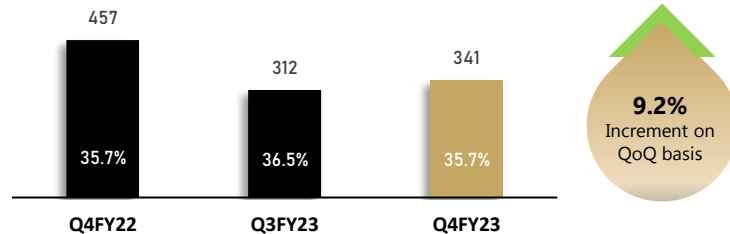
Financial Outcomes

₹ in Cr

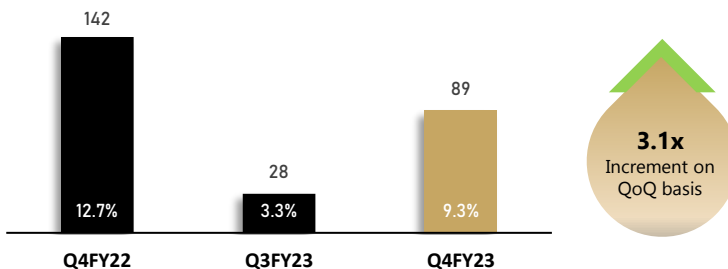
Revenue



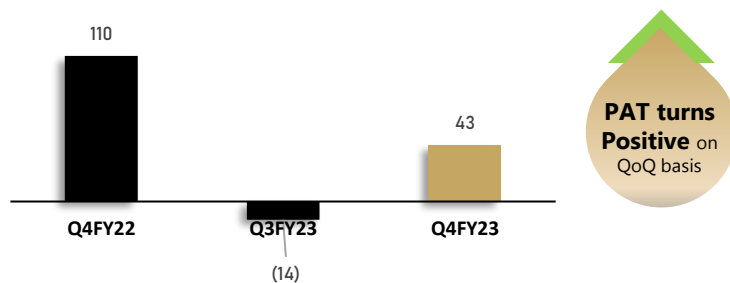
Gross Profit & Gross Profit Margin(%)



EBITDA & EBITDA Margin(%)

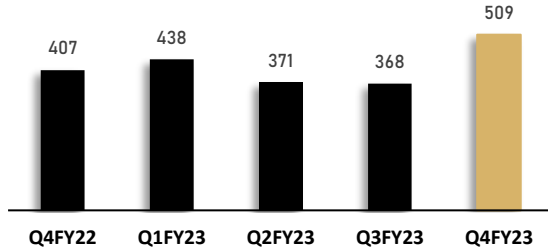


PAT

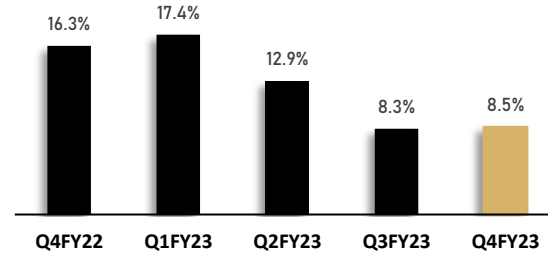


Performance

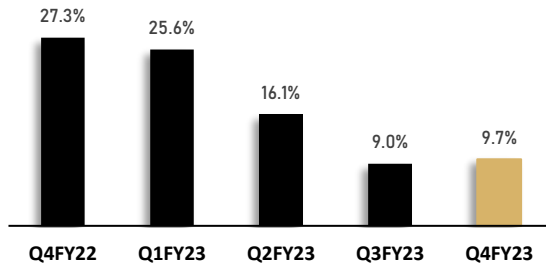
Net Working Capital ₹ in Cr



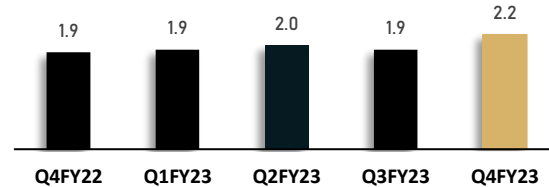
ROCE



RONW



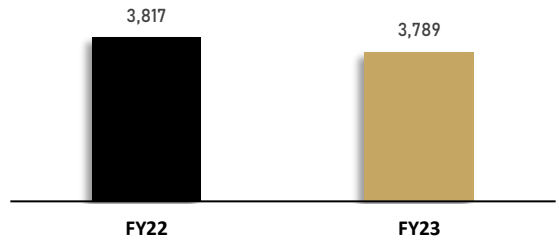
Fixed Asset Coverage Ratio In times



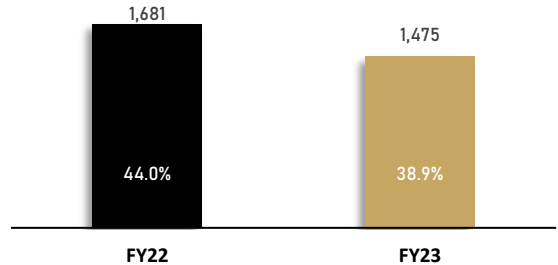
Overcoming Challenges and Maintaining Strength

₹ in Cr

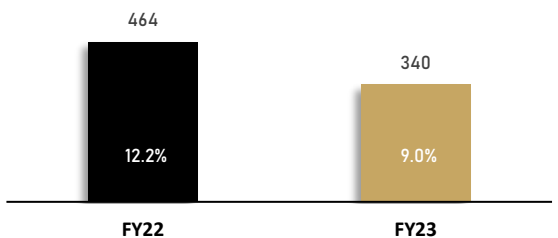
Revenue



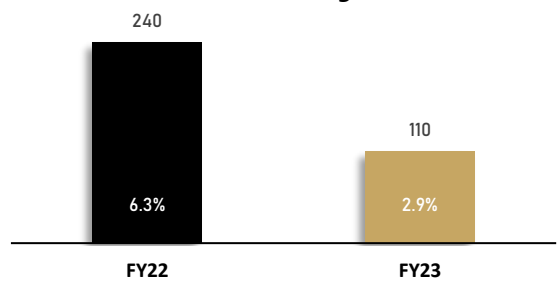
Gross Profit & Gross Profit Margin(%)



EBITDA & EBITDA Margin(%)

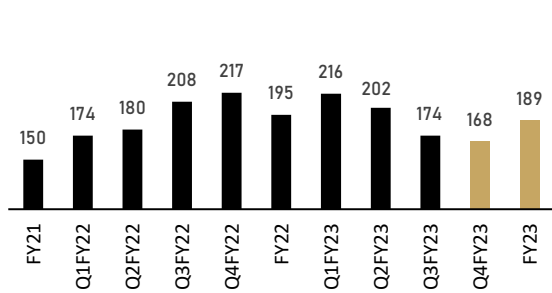


PAT & PAT Margin(%)

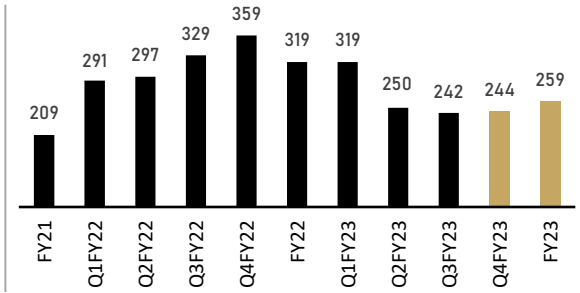


◆ Average Price Realization

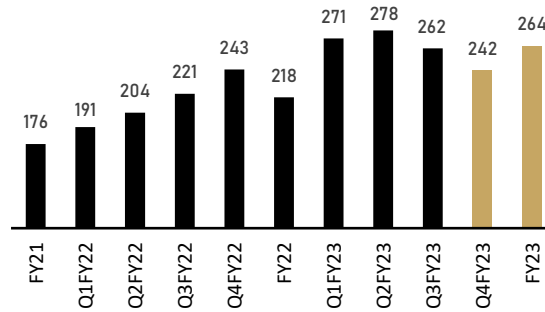
PV Grey Yarn



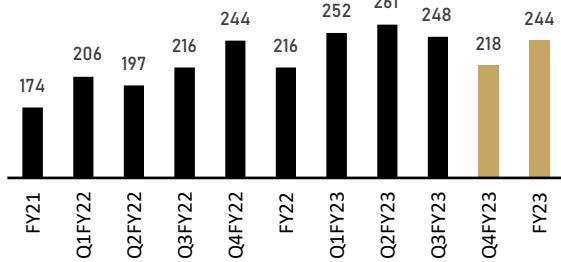
Cotton Grey Yarn



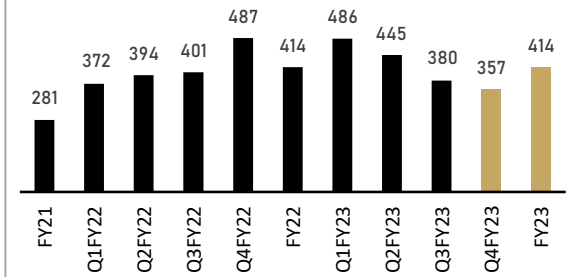
Denim



PV Dyed Yarn



Melange Yarn





02

◆ Growth Drivers

Growth Drivers

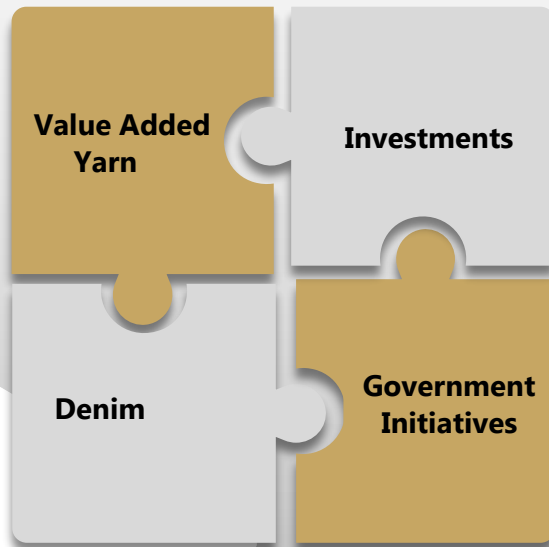
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Promising Catalyst Propelling Company's Future

- Focused on **high-value specialty yarn** business like Dyed and Melange yarn
- Change in product mix and value-added products, helps in sustained margins
- Adequate **use of captive solar power** plants & **regular energy audit** helps in the production of sustainable products along with the reduction of power cost

- **Good demand** for LNJ denim was seen in FY23
- Ranked **Top 14 suppliers**
- **Top brands** associated with us: JCPenney, H&M, Zara, Levi's, Wrangler, Diesel, Lee, Spykar, Hilfiger denim, and many more



- The company has **invested around ₹410 Cr** in the expansion of **Denim, Cotton Mélange Yarn, Knits Business**, and Modernization & Balancing equipment across all units.
- **Capex of ₹315 Cr during FY23** for the expansion of spinning capacity at Lodha, Banswara – The project is underway and shall be completed in FY24
- Recently RSWM has been sanctioned **Special Customized Package under RIPS 2019** for expansions of Denim, Melange/Knits, and 51k spindles at Lodha, Banswara
- Infusion of Equity through Right Issue
- Acquisition of 20MW WTG – BG Winds Power Ltd.
- **Closely tracking Govt Policies RoDTEP Scheme** (Remission of Duties and Taxes on Export Products) which will **enhance Indian export competitiveness** across the globe.
- It is likely to change the entire value chain for exporters
- Capitalize on growth opportunities arising from New textile policies like PLI, Mega investment in Textile parks (MITRA), and Free Trade Agreement



03

◆ Company Profile

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Strong Parentage	22



Nation's Largest Textile Manufacturer & Exporter



RSWM Limited is one of the largest textile manufacturers and exporters of Synthetic, Blended, Mélange, Cotton, and Specialty value-added yarns, and in the manufacturing of Denim fabric, Knitted fabric, and Green Polyester Fibres.

- RSWM is the **Flagship company** of LNJ Bhilwara Group
- RSWM enjoys the **Golden Trading House** status.

Strong Parentage

- **11 Manufacturing facilities**
- **43,000** MTs p.a. **Green Polyester Fibres** manufacturing capacity
- **4,94,680 Spindles** & **4,800 Rotors Spinning**
- **172 Looms**

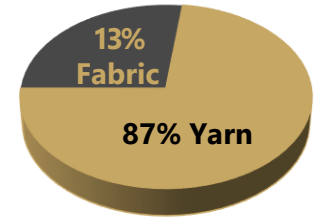
Installed Capacities

- Exports to **70+** nations globally like Africa, Southeast Asia, Europe, the Middle East, USA
- Export contributed **~25%** of Sales during FY23

Global Presence

- Yarns, Denim & Knits
- Total Capacity:
 - **Yarn: 1,45,500** TPA
 - **Denim Fabric: 334** Mn Mtr. p.a. (Composite Facility)
 - **Knitted Fabric: 4800** MT p.a.

Business Segments



Contribution to Net Profit (As per FY23)



Unlocking Growth Opportunities through Strategic Location

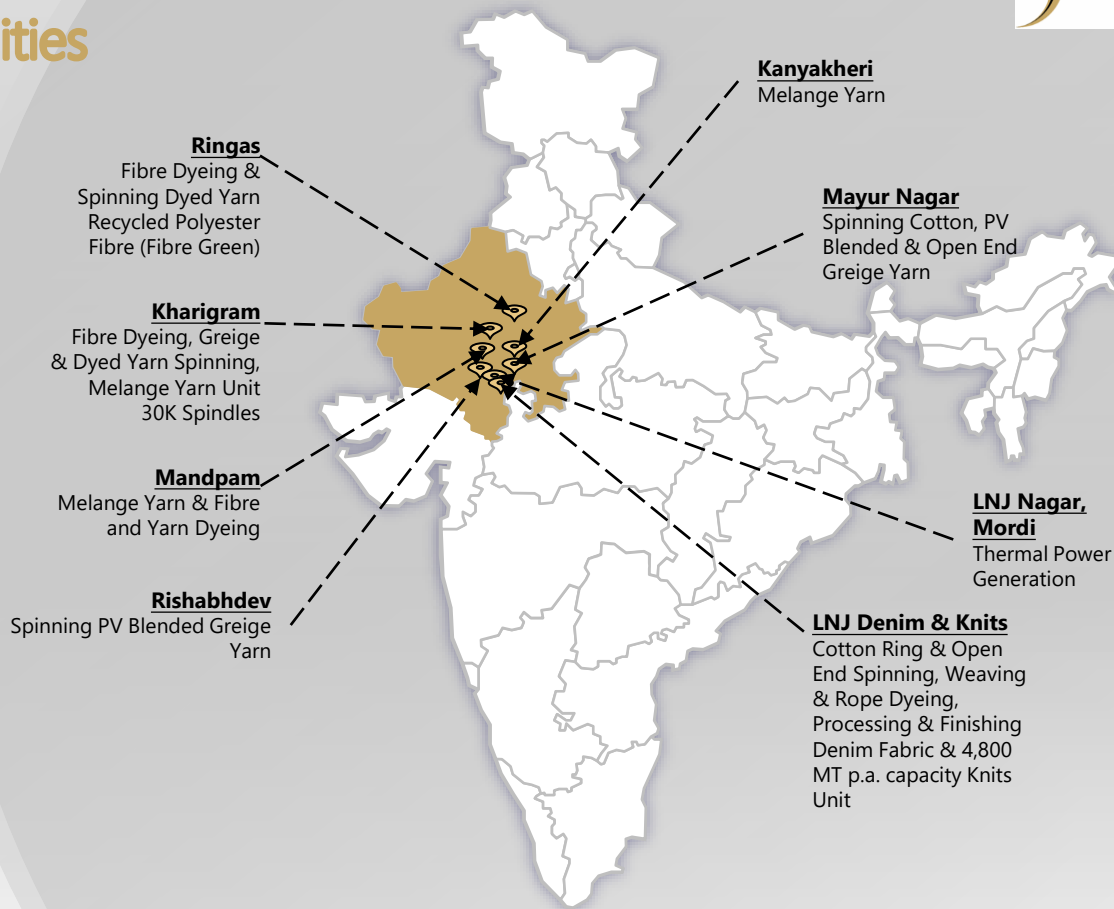
4,94,680 SPINDLES

4,800 ROTORS

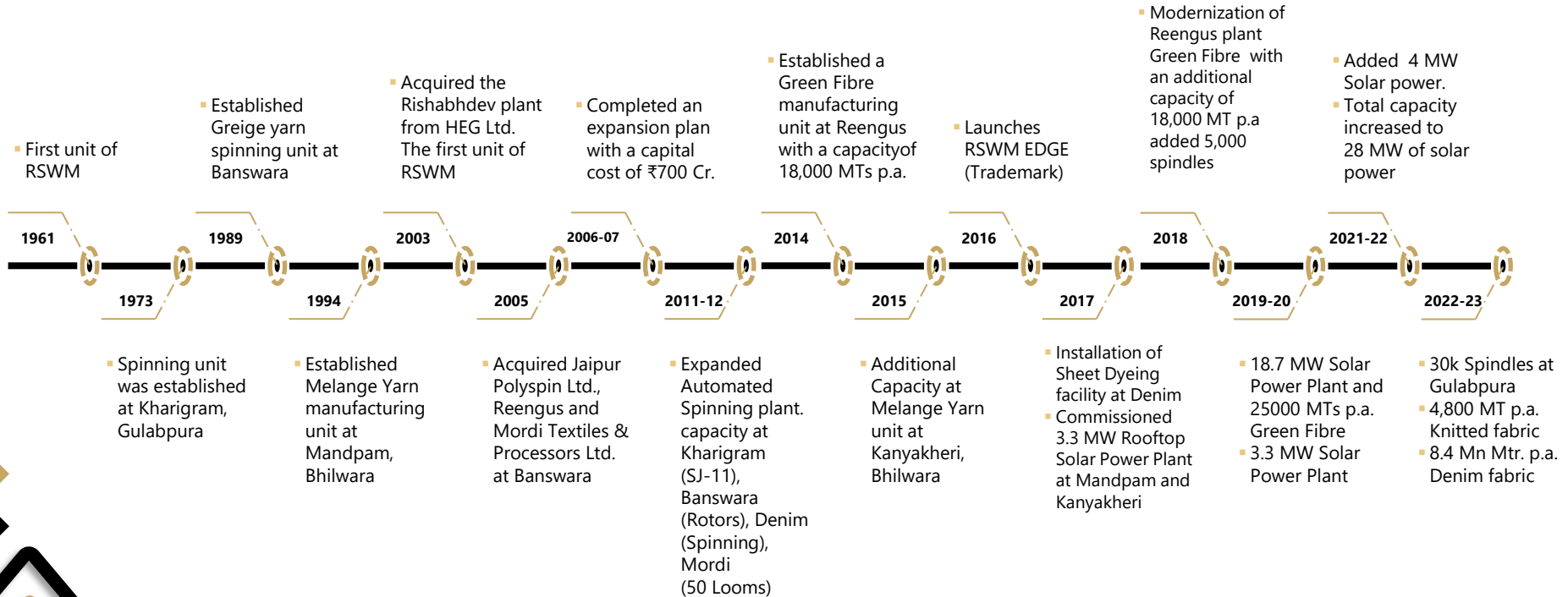
172 LOOMS

43K MT p.a. GREEN FIBRE

4,800 MT p.a. KNITTED FABRIC



Well Established Player



Producing Top-Quality Yarn in Three Distinct Categories

Dyed Yarn

- Dyed PV Blended, Poly 100%, Visc. 100%, Poly/Visc/Cotton Blended Specialty Yarns from unorthodox fibres
- We have two advanced facilities located in Bhilwara and one near Jaipur
- These two units offer the most optimum efficiency and excellence when it comes to creating exquisite designer yarns like Slub, Neppy, Siro, Siro Slub, CSY, Grindle, and many more



Greige Yarn

- Greige is a yarn that hasn't been bleached or dyed
- Greige yarn is suitable for weaving, knitting, sewing, and industrial application
- The yarn from this factory is sold under the brand name ULTIMA® and is the finest polyester-viscose greige yarn in the Indian market



Melange Yarn

- Melange yarn, a high-value yarn, is manufactured at its Mandpam and Kanyakheri units
- Melange contributes about 22% to the revenue earned by the yarn vertical and it is widely accepted by leading global brands operating in India
- It is widely used for undergarments, shirts, business suits, socks, sportswear, bed linen, towels, and other home fabric products



Yarn

Denim

Knitted Fabric

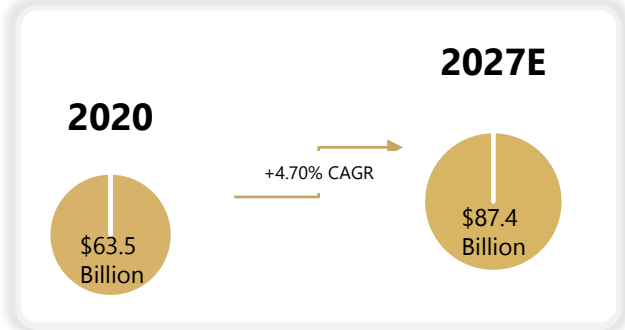
Business Vertical

Renowned for Exceptional Quality Worldwide

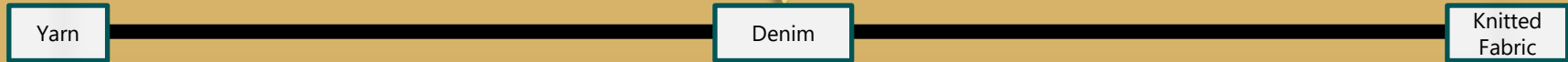
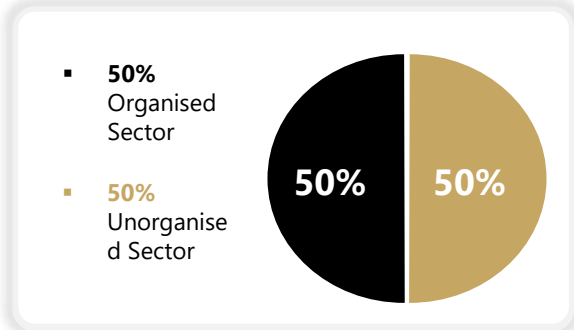
- LNJ Denim, a denim-manufacturing facility established in 2007 under RSWM Limited (the flagship company of LNJ Bhilwara Group), has a manufacturing capacity of 33.4 million meters annually. Capable of processing 3000+ denim variants
- LNJ Denim has earned an excellent reputation amongst international and domestic brands as an innovator and a quality supplier of denim fabric.



Global Denim Industry



Denim Industry Snapshot



Business Vertical

Creating Value Through Exploration of Knitted Fabric Production

Ventured into Knitted Fabric to create value

- After being the leading supplier of high-quality yarn to the world, **RSWM Limited has ventured into producing circular knitting fabrics**
- Our well-kitted fabrics ensure **comfort, weightlessness, wrinkle resistance, and a multitude of properties** built in especially for today's needs
- Knits is a USD 206Bn market globally and India has ~4% market share. Opportunity is huge in Knits for India, and we are testing the waters with an initial investment of INR 80crs.
- With a **robust establishment fuelled by immense creativity**, LNJ Knits offers a dynamic product range that comprises knitted fabrics like **Single Jersey, Interlock, Rib, Fleece, Flat Back Rib, Terry, Foma, Honey Comb, Pique, Waffel**, and many more.
- Our unit consists of **26 machines for polyester, 21 for cotton, and 8 flat knitting machines.**
- LNJ Knits offers a **tremendous manufacturing capacity of 4,800 MTPA in Phase One.** Over time, the production capacity will be gradually increased.
- Knitting machines from renowned institutions such as **Pailung, Fukuhara, Terrot, Unitex, and flat knitting ones from Kauo Heng, our in-house textile engineers are enabled to craft products that rival the best in the world.** These machines ensure precision and quality control to deliver the finest results at every step.



Yarn

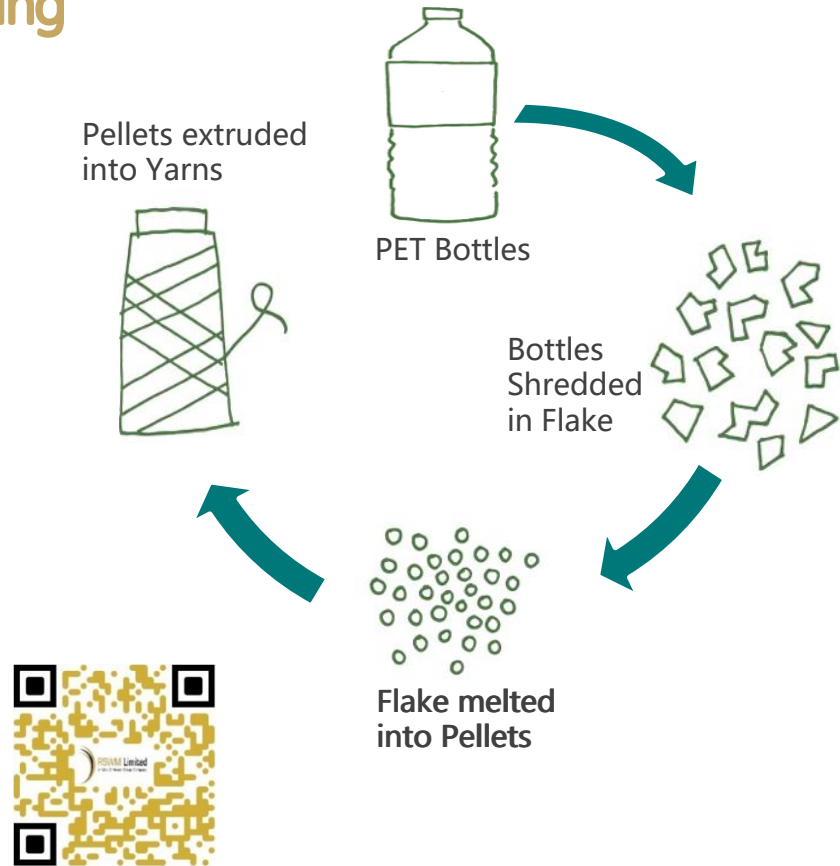
Denim

Knitted Fabric

Business Vertical

Re-imagined & Re-use for Sustainable clothing

- Promoting Sustainable Practices:** RSWM Ltd. exemplifies its commitment to the environment by prioritizing sustainable business practices. During the quarter, we proudly recycled an impressive 18,000 MT of PET plastic bottles, reducing waste and conserving valuable resources.
- Addressing Global Waste Challenges:** With plastics accounting for approximately 20% of global waste, we understand the urgency to act. Our recycling efforts go beyond conventional practices, ensuring that only 6% of plastics are recycled, as we strive for a greener and cleaner world.
- Supporting Mission LiFE:** RSWM Ltd. is proud to be an ardent supporter of Mission LiFE, a transformative initiative focused on fostering a greener and cleaner India. By aligning our efforts with this noble mission, we aim to create a better tomorrow, safeguarding our planet for future generations.
- Sustainable Procurement:** At RSWM Ltd., we believe that sustainability begins with responsible procurement. By purchasing sustainable products, we actively contribute to the preservation of the environment. Our commitment to sustainable procurement sets an example for the industry, inspiring others to join us in safeguarding our planet's resources.



For more details please Scan

LNJ Group: Firm Foundation with Powerful Parental Backing

ELECTRODES

- HEG Limited

POWER CONSULTANCY

- Indo Canadian Consultancy Services Limited

TEXTILES

- RSWM Limited
- Maral Overseas Limited
- BSL Limited
- BMD Private Limited
- Bhilwara Technical Textiles Limited



POWER

- Balephi Jal-Vidyut Co. P. Limited - Nepal
- NJC Hydro Power Limited
- AD Hydro Power Limited
- Bhilwara Energy Limited

IT SERVICES

- Bhilwara Infotechnology Limited

HIGHLIGHTS

- 5 Group companies listed on the Stock Exchanges.
- Production units & Corporate office spread across the country at 38 locations
- Over 1,000,000 stakeholders in the Group.
- All key companies ISO certified
- Over 28,000 strong workforce.



RSWM Limited
an LNJ Bhilwara Group Company

04

◆ Strong Historical
Fundamental

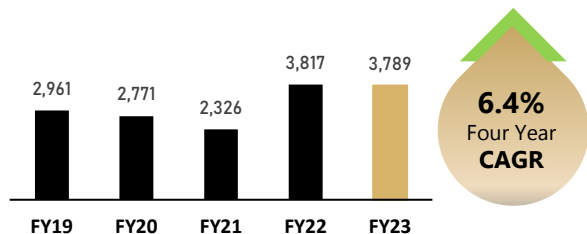
Financial Data	24
Financial Return Ratio	25



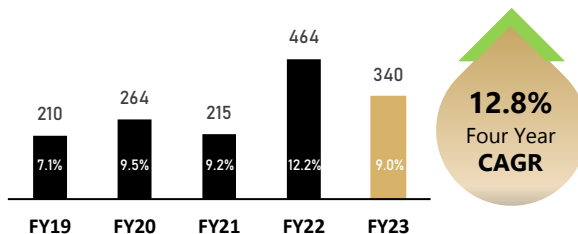
Underlying Financial and Operational metrics

₹ in Cr

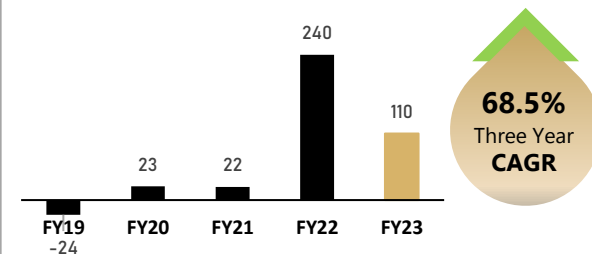
Revenue



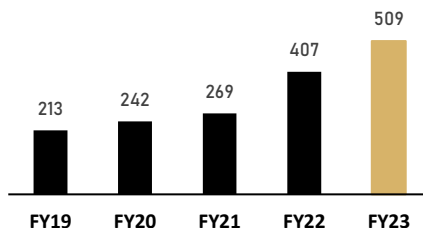
EBITDA & EBITDA Margin(%)



PAT



Net Working Capital

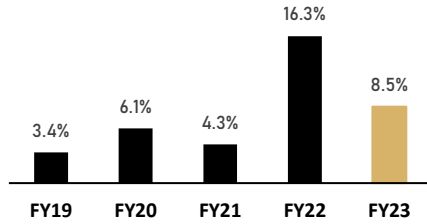


Net Cash Flow From Operation

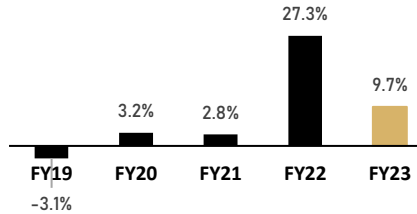


Financial Ratios

ROCE

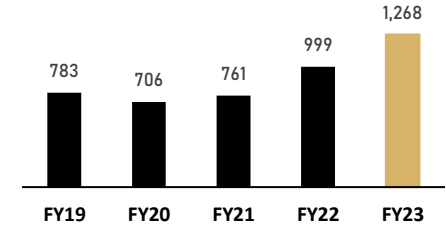


RONW

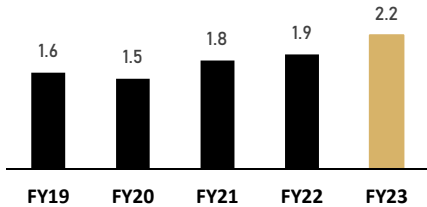


Net Worth

₹ in Cr

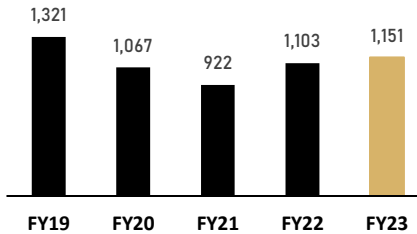


Fixed Asset Turnover In times



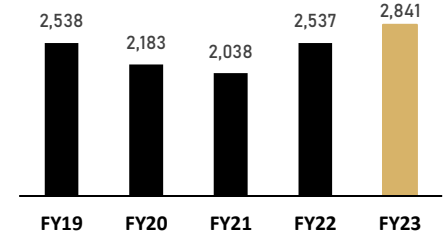
Net Debt

₹ in Cr



Capital Employed

₹ in Cr





RSWM Limited
an LNJ Bhilwara Group Company

05

◆ Management Team

Management Team 27

Achievements 29



Management



Mr. Riju Jhunjunwala
Chairman, CEO and
Managing Director



Mr. B. M. Sharma
Joint Managing Director



Mr. Avinash Bhargava
Chief Financial Officer



Mr. Surender Gupta
VP – Legal & CS

Mr. Prakash Maheshwari
Chief Executive
(Corp. Affairs & TPP)

Mr. Suketu Shah
Chief Executive
(Denim)

Mr. Sukesh Sharma
Chief Executive
(Yarn)

Mr. Arvind Gupta
Chief Executive
(Melange Yarn & Knits)

Mr. Manoj Sharma
President & CHRO

Mr. Puneet Anand
Chief Strategy Officer

Director &
Key Managerial Personnel

Corporate Team

Program for Enhancing Leadership Abilities



Leadership Training Program

Remarkable Testimonial of Endeavor





RSWM Limited
an LNJ Bhilwara Group Company



GET IN TOUCH WITH US

Thank You



Shri Avinash Bhargava
Chief Financial Officer
Tel: 01483 222515
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Shri Surender Gupta
VP – Legal and CS
Tel: +91 120 4390058
E: skg@lnjbhilwara.com



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Noida – 201 301 (U.P.)
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Dist. Bhilwara (Rajasthan)
CIN: L17115RJ1960PLC008216



Profit & Loss Statement

₹ in Cr

Period	Q4FY23	Q3FY23	Q4FY22	FY23	FY22
Total Income (Incl. other income)	997.02	864.86	1132.53	3,880.34	3,849.54
Raw Material Cost	568.70	535.73	648.72	2,356.59	2,196.71
Employee Cost	94.66	105.16	100.62	418.48	401.40
Power Cost	111.04	99.84	104.06	424.78	387.83
Other Expenses	87.33	88.86	121.47	384.10	460.16
Inc./Dec. in Inventory	46.51	6.96	15.53	(43.14)	(60.73)
EBIDTA	88.78	28.31	142.13	339.53	464.17
EBIDTA Margin (%)	9.28%	3.31%	12.67%	8.96%	12.16%
Depreciation	32.50	32.59	27.15	127.30	113.08
Finance Cost	16.12	20.72	17.06	73.95	67.61
Profit Before Tax	40.16	(25.00)	97.92	138.28	283.48
Tax	(2.45)	(11.01)	(12.02)	28.67	43.50
Net Profit After Tax (PAT)	42.61	(13.99)	109.94	109.61	239.98
PAT Margin (%)	4.46%	(1.64%)	9.80%	2.89%	6.29%

Balance Sheet Highlights

₹ in Cr

Assets	31.03.23	31.03.22	Liabilities	31.03.23	31.03.22
Non-current Assets	1,449.07	1,238.87	Shareholders' Fund	1,268.42	998.54
Fixed Assets	1,298.23	1,086.42	Share Capital	47.10	23.55
Investments	75.01	89.27	Reserve & Surplus	1,221.32	974.99
Other Non-current Assets	75.83	63.18	Non-current Liabilities	604.94	531.94
Current Assets	1,391.90	1,297.94	Long Term Borrowing	499.74	461.68
Inventories	677.25	509.07	Other Non-current Liabilities	105.20	70.26
Trade Receivable	454.40	536.46	Current Liabilities	967.61	1,006.33
Other Current Assets	260.25	252.41	Short Term Borrowing	650.93	640.84
			Other Current Liabilities	316.68	365.49
Total Assets	2,840.97	2,536.81	Total Liabilities	2840.97	2,536.81